FAS REPORT

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Foreign Agricultural Service
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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE WR 33-82

WASHINGTON, August 18--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

Preliminary data indicate CANADA has exported 27 million tons of Western grain and oilseeds and products, 1 million tons above the Canadian Wheat Board's target for the August-July 1981/82 season and 4 million above the previous record movement in 1979/80. The combination of record crops, consistent deliveries throughout the season, additional capacity and minimized labor disruptions has resulted in extraordinary export levels.

Canada's growing fleet of hopper cars and their increased efficiency over boxcars have contributed greatly to this year's grain movement. In addition, a general economic turndown resulted in a slowdown in non-grain bulk handling of commodities such as coal, sulfur, potash, etc. This extra capacity was then diverted to increased quantities of grain.

Canada is scheduled to add over 1,200 hopper cars and increase terminal capacity at the ports of Vancouver and Prince Rupert during the 1982/83 season. Increased 1982/83 Canadian grain commitments under agreements with the USSR, China, Brazil and Algeria, combined with another potential record production year, is likely to stimulate investment into expanding transportation and handling capacity even further. All of these factors bring Canada closer to meeting its ambitious goal of exporting 30 million tons of Western grain and oilseeds by 1985.

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The UNITED STATES and WEST GERMANY continue to be the world's leading hop producers, accounting for about half of world production this year. During 1982, West Germany's hop growing area increased by 4.1 percent to 19,984 hectares and production is estimated at 35,250 tons, nearly 6 percent above 1981. The 1982 U.S. hop harvested area declined by 3.2 percent to 16,880 hectares. The 1982 U.S. hop crop estimate released by USDA on August 11 was 35,950 tons. A recent storm that passed through a portion of the production area has resulted in downed vines and some losses are anticipated, which may reduce the crop estimate.

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WORLD grain production in 1982/83 is forecast at 1.633 billion tons, up 1 percent from last month's estimate, but slightly below the record 1981/82 crop.

World wheat production for 1982/83 is now forecast at 447.6 million tons, up 1 percent from last month's estimate, but down 1 percent from the 1981/82 record crop. Highly favorable weather this year in the United States and Canada has improved yield prospects. China's estimate has been increased due to a higher-than-expected summer grain harvest. The Australian wheat estimate has been reduced due to the effects of the extended drought.

World coarse grain production for 1982/83 is now estimated at 781.5 million tons, 2 percent above last month's estimate and 1 percent above the previous record 1981 crop. Favorable weather indicates a record U.S. crop, while the Canadian estimate was also increased. Dry conditions in Australia and India have resulted in reduced estimates for these two countries.

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WORLD rice production for 1982/83 is forecast at 404.2 million tons (rough basis), down 8 million tons or about 2 percent from the July 12 estimate. Most of the downward adjustment in world production resulted from a decrease in the Indian rice crop of 6.8 million tons to 75.1 million tons, a decline of 8 percent from last month's estimate. The erratic pattern of the southwest monsoon, particularly in the eastern rice growing areas, was primarily responsible for this reduction. Elsewhere, rice production estimates were adjusted downward in Indonesia, South Korea and the Philippines, while production was increased slightly in the United States and Malaysia.

OILSEEDS

WORLD oilseed output for 1982/83 is forecast at a record 185.1 million tons, up 3.9 million or 2 percent from last month and up 12.3 million or 7 percent from 1981/82. Upward revisions for U.S. soybean and cotton and Canadian flaxseed and rapeseed account for most of the increase. Lower estimates for Indian and West African peanuts partially offset the large gains in North America.

World soybean production is forecast at a record 98.9 million tons, up 3.9 million or 4 percent from last month, and about 11.6 million or 13 percent over year-earlier levels. Nearly all of the rise is attributed to a larger U.S. crop, estimated at 62.4 million tons, which exceeds the previous peak outturn of 61.7 million reached in 1979/80.

World cottonseed production is forecast at 26.2 million tons, up 0.6 million or 2 percent from a month earlier. The larger estimate is due primarily to an upward revision in the U.S. cottonseed crop.

World peanut production is forecast at 17.7 million tons, down 1.0 million or 5 percent from the July estimate. A reduction of 0.7 million tons for the Indian peanut crop is mainly attributed to lower yield prospects. A late monsoon delayed planting in the major growing state of Gujarat and dryness still persists in parts of the region. Production prospects were also cut for Senegal by 0.1 million tons.

World rapeseed and flaxseed production estimates were revised upward this month by 0.1 million tons each, due mostly to improved prospects in Canada.

DAIRY, LIVESTOCK AND POULTRY

CANADA's livestock situation is generally following the U.S. pattern of slow growth in cattle inventories and beef production and declines in pork output. Cattle numbers are expected to expand slowly this year because of increased slaughter and larger net exports of live cattle. Canadian beef production, which increased nearly 5 percent during 1981 due largely to increased imports of U.S. slaughter cattle, is expected to be up only 2.5 percent, according to the U.S. agricultural counselor in Ottawa. The pattern of heavier slaughter of domestic versus imported cattle is expected to continue into 1983.

The 3-percent drop in Canadian pork production to 840,000 tons is expected to be less than one-third the projected drop in U.S. production this year. Pork production is expected to continue declining during 1983, but at a slower rate. The relatively small expected decline in Canadian pork production this year is attributed to the decline in the value of the Canadian dollar, which both discourages imports and makes exports more attractive, and to provincial and federal price support programs.

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The SOVIET UNION's poultry meat industry is forecast to continue its expansion in 1982 and 1983, but at a slower rate than in earlier years, according to the U.S. agricultural counselor in Moscow. Significant gains in poultry meat and egg output have been made in recent years; however, the rapid rate of increase is now tapering off as a result of feed shortages and other problems. A 1982 mid-year survey of poultry inventories on state and collective farms and inter-farm enterprises reveals a growth rate of 2 percent for the first half of 1982 compared with a nearly 5 percent rise during January-June 1981.

Despite the slowing in inventory growth for the first half of 1982, poultry meat output is expected to reach 2.5 million tons, compared with 2.6 million in 1981. Poultry meat represented 15 percent of the total meat produced in 1981, compared to only 10 percent in 1976.

The growth rate in egg production has also slowed this year. Based on socialized sector data through mid-year 1982, total egg output this year may reach 72.3 billion pieces, only 2 percent above 1981. Egg production reached 70.9 billion eggs in 1981, 5 percent above 1980.

COTTON

WORLD cotton production is forecast at 66.8 million bales, 1 million bales higher than last month's estimate, but 6.2 percent below the previous year's record crop of 71.2 million. The projected increase is attributable to slightly larger U.S. production prospects, which are forecast at 11.1 million bales, 1.1 million higher than last month's projection. However, this year's forecast U.S. harvested area of 3.8 million hectares is substantially below last year's 5.6 million and the lowest since 1975.

Foreign output is currently forecast at 55.7 million bales, 100,000 below last month's estimate due to slightly lower production prospects in Spain and Tanzania. In China, a record crop of 14.5 million bales from an estimated area of 5.4 million hectares is expected. If this crop is realized, China would displace the United States as the world's largest producer of cotton. Major foreign production declines are still anticipated in Mexico, Egypt and Central America, primarily due to area decreases.

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Conditions for the SOVIET UNION's 1982/83 cotton crop appear to be favorable despite water shortages, primarily because the Soviets have been quite successful in diverting water to the cotton crop. Soviet press reports indicate high temperatures in June and July also have enhanced the crop's development. In addition, the 1982 crop did not require reseeding, a further indication of how well the crop is progressing.

This year's cotton crop reportedly exceeds last year's pace by 7-12 days in the four largest producing republics--Uzbekistan, Turkmenistan, Tadzhikistan and Azerbaidzhan. Provided favorable weather prevails throughout the fall, allowing the cotton crop to continue to bloom before the first frost, harvesting could commence as early as mid-August (normal harvesting usually begins in September and terminates in November).

HORTICULTURAL AND TROPICAL PRODUCTS

WORLD production of centrifugal sugar from sugarbeets in 1982/83 is estimated at 35.1 million tons (raw value), down 4 percent from the 36.6 million produced in 1981/82.

In the European Community, sugar production is estimated at 13.7 million tons from 1,848,000 hectares, down 13.1 percent and 8.5 percent, respectively. One-third of this decline is in France, the largest producer in the EC. French output is expected to be 4.8 million tons (raw value), down 681,000 from 1981/82. Harvested area in France is expected to decline 11.7 percent to 543,000 hectares. West Germany is expected to produce 3.1 million tons of sugar, down 591,000 tons from the 1981/82 level, from 8.2 percent smaller area.

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In Italy, the combined effect of drought and a 17.5-percent smaller area is expected to reduce raw sugar production to 1.685 million tons, down 542,000 tons from 1981/82. Good weather in Ireland and the United Kingdom is expected to result in higher production levels than occurred for the 1981/82 crop from smaller area.

Sugar production in the USSR is estimated at 7.5 million tons, up 17 percent from the low level attained in 1981/82. Sugarbeet area is estimated to have increased only marginally to 3.65 million hectares, but yields are expected to be at more near normal levels, resulting in 80 million tons of beets.

In Eastern Europe, sugar production is estimated at 5.5 million tons, down 5 percent from 1981/82. In Poland, area harvested is expected to increase to 480,000 hectares from 468,000 last year, but lower yields will result in 14.4 million tons of beets (down 9 percent from 1981/82) from which 1.660 million tons (raw value) of sugar is forecast to be produced. Sugar production is also expected to be lower in East Germany and Yugoslavia.

In North America, U.S. beet area is estimated at 423,470 hectares, down 15 percent from the 1981/82 level. The resulting beet sugar production is estimated at 2.6 million tons, down 14.4 percent. Lower yields in Canada will result in 120,000 tons of beet sugar production.

A larger sugarbeet area in Spain is estimated to result in 1.15 million tons of beet sugar produced, an increase of 54,000 tons. This increase offsets decreases in Switzerland, Sweden and Austria. Sugar production in Turkey is estimated to increase 100,000 tons to 1.5 million tons from 2.8 percent more area. Production in China and Japan is also estimated to increase. In South America, higher area and lower yields than last year are forecast to result in slightly less sugar production.

Data are as follows in 1,000 tons (raw value):

	1981/82	1982/83
North America	3,182	2,720
South America	189	180
European Community	15,809	13,736
Other Western Europe	2,198	2,206
Eastern Europe	5,773	5499
USSR	6,400	7,500
North Africa	335	369
Middle East	1,479	1,591
Asia	1,212	1,310
Total	36,577	35,111

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Preliminary estimates from major producing countries in the NORTHERN HEMISPHERE indicate apple output will rebound to almost 13.2 million tons in 1982, 22 percent above the 1981 volume of 10.8 million tons. Thus far, growing conditions have been generally favorable, unlike the 1981 season when frosts severely damaged most of the European crops. Smaller apple harvests are projected in only three countries--Greece, Spain and Yugoslavia--due to spring rain and frosts.

Production of pears in the Northern Hemisphere is expected to decline for the second consecutive year. Combined output for the 1982 season is currently estimated at only 3.6 million tons, 6 percent below the 1981 level. Frost damage was particularly severe in France, Italy, Spain and the United Kingdom. The 17-percent drop projected in U.S. output is also due to inclement weather in California and Washington, the largest U.S. producers of pears.

Northern Hemisphere apple and pear data are as follows in 1,000 tons:

	APPLES		PEARS	
	1981	1982	1981	1982
North America				
United States	3,512	3,894	809	674
Canada	416	479	35	37
EC				
Belgium-Luxembourg	134	277	58	84
Denmark	43	65	6	4
France	1,468	1,784	428	389
Germany, Fed. Rep.	773	1,978	276	417
Greece	300	254	115	103
Italy	1,773	1,880	1,237	1,110
Netherlands	260	375	90	82
United Kingdom	227	276	49	38
Other Europe				
Austria	186	233	31	42
Norway	54	54	10	11
Spain	1,064	973	520	450
Sweden	29	34	6	7
Switzerland	83	130	15	18
Yugoslavia	505	480	137	130
TOTAL	10,827	13,166	3,822	3,596

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On August 4, the 15-day moving average of the Composite Indicator Price fell below 115.00 U.S. cents per pound to 114.98 cents, triggering the third 1 million-bag (60 kilograms each) cut in the INTERNATIONAL COFFEE ORGANIZATION's global export quota for coffee year 1981/82 (October/September). The revised annual quota for the year is now 54,214,000 million bags, including 12,262,343 bags for the July-September fourth quarter.

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In the PHILIPPINES, a recent inspection trip to the Island of Mindoro by the Philippine Coconut Authority (PCA) reported that contrary to earlier reports, Socorro wilt disease in coconuts has been confined to the town of Socorro on Mindoro and has not spread to the Islands of Cebu and Palawan.

The disease primarily affects coconut trees less than 25 years old and is characterized by the drying of leaves, premature nutfall and rotting roots. So far, PCA has cut down about 2,600 affected trees.

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U.S. exports of onions to JAPAN during the October-September 1982/83 marketing year likely will fall significantly below the record 1981/82 level because of favorable growing conditions this season in Hokkaido, which supplies mostly storage onions. The 1981 Hokkaido crop was greatly reduced as a result of flood damage, which necessitated a large increase in imports to meet domestic demand. Japanese officials estimate the 1982 Hokkaido onion crop at 415,500 tons, 30 percent over last year's poor harvest. Planted area was put at 8,290 hectares, up 3 percent from 1981. According to Japanese data, Japan imported a record 168,012 tons of onions during the October-March 1981/82 period, of which 86,841 tons were from the United States.

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In the UNITED STATES exports of frozen french fried potatoes during January-June 1982 totaled 23,116 tons--valued at $17.3 million--22 percent greater than shipments of 18,997 tons--$13 million--during the corresponding 1981 period. Total 1981 exports were a record 39,332 tons, worth $27.2 million. Japan continues to be the largest market, taking 17,672 tons ($13.7 million) of the January-June 1982 shipments. Japan accounted for 30,217 tons ($20.6 million) of 1981 exports.

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	August 17, 1982		Change from previous week	A year ago
	$ per m. ton	$ per bu.	¢ per bu.	$ per m. ton
Wheat				
Canadian No. 1 CWRS-13.5%	182.00	4.95	-.41	220.75
U.S. No. 2 DNS/NS: 14%	168.00	4.57	-.06	189.00
U.S. No. 2 DHW/HW: 13.5%	1/	1/	1/	203.00
U.S. No. 2 S.R.W.	139.00	3.78	-.05	168.00
U.S. No. 3 H.A.D.	163.00	4.44	-.08	187.00
Canadian No. 1 A: Durum	182.00	4.95	1/	1/
Feed grains:				
U.S. No. 3 Yellow Corn	106.00	2.69	-.16	144.00
U.S. No. 2 Sorghum 2/	1/	1/	1/	149.00
Feed Barley 3/	1/	1/	1/	136.50
Soybeans:				
U.S. No. 2 Yellow	221.75	6.04	-.35	281.00
Brazil 47/48% Soya Pellets 4/	202.50	--	-9.50 5/	278.50
U.S. 44% Soybean Meal (MT)	194.00	--	-10.00 5/	242.00
EC Import Levies				
Wheat 6/	101.43	2.76	-.08	71.85
Barley	92.67	2.02	-.01	55.95
Corn	101.18	2.57	+.17	62.50
Sorghum	95.07	2.41	+.02	54.25

1/ Not available.
2/ Optional delivery: Argentine Granifero sorghum.
3/ Optional delivery: Canadian feed barley.
4/ Optional delivery: Argentine.
5/ Dollars per metric ton.
6/ Durum has a special levy.

Note: Basis September delivery.